

27 (1) This section sets forth the requirements to assign
 28 post-loss claims under a property insurance policy. This section
 29 does not apply to liability coverages in the policy or to the
 30 assignment of a claim to a subsequent purchaser of the property
 31 who acquires insurable interest following a loss.

32 (2) A policyholder who incurs a covered loss may not
 33 assign a post-loss claim, except for payment of the reasonable
 34 costs incurred for necessary repairs to protect the property
 35 from further damage as provided in the policy, until the
 36 policyholder has given notice of the loss to the insurer or the
 37 insurer's agent as required by the policy.

38 (3) A policyholder may cancel an assignment agreement
 39 without penalty or obligation, except for payment of the
 40 reasonable costs incurred for necessary repairs to protect the
 41 property from further damage, within 3 business days after the
 42 date on which the agreement is executed or received by the
 43 insurer, whichever is later; however, if the agreement is
 44 executed to perform work resulting from an event for which the
 45 Governor has declared a state of emergency and is within 1 year
 46 after such declaration, the insured has 5 business days after
 47 the date on which the agreement is executed or received by the
 48 insurer, whichever is later, to cancel the agreement.

49 (4) The assignment agreement must contain the following
 50 notice in capitalized 14 point type: YOU ARE AGREEING TO GIVE UP
 51 CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY TO A THIRD
 52 PARTY. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING

53 IT. YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHOUT PENALTY
 54 OR OBLIGATION, EXCEPT FOR PAYMENT OF THE REASONABLE COSTS
 55 INCURRED FOR NECESSARY REPAIRS TO PROTECT THE PROPERTY FROM
 56 FURTHER DAMAGE, WITHIN 3 BUSINESS DAYS AFTER THE DATE ON WHICH
 57 THIS AGREEMENT IS EXECUTED OR RECEIVED BY THE INSURER, WHICHEVER
 58 IS LATER. IF WORK IS BEING PERFORMED AS A RESULT OF DAMAGE
 59 CAUSED BY AN EVENT FOR WHICH THE GOVERNOR HAS DECLARED A STATE
 60 OF EMERGENCY AND IS WITHIN 1 YEAR AFTER SUCH DECLARATION, YOU
 61 HAVE 5 DAYS AFTER THE DATE OF EXECUTION OR RECEIPT BY THE
 62 INSURER, WHICHEVER IS LATER, TO CANCEL. THIS AGREEMENT DOES NOT
 63 CHANGE YOUR OBLIGATION TO PERFORM THE DUTIES UNDER YOUR PROPERTY
 64 INSURANCE POLICY.

65 (5) Within 3 business days after the agreement is
 66 executed, the assignee must deliver a copy of the executed
 67 assignment agreement to the insurer or the insurer's agent at
 68 the address required by the policy for delivery of such
 69 agreements. Delivery shall be by:

70 (a) Certified mail, return receipt requested;

71 (b) Personal, overnight, or electronic delivery, with
 72 evidence of delivery in the form of a receipt or other paper or
 73 electronic acknowledgment by the insurer or the insurer's agent;
 74 or

75 (c) As required by the policy.

76 (6) By executing an assignment agreement, the assignee
 77 agrees to comply with all duties after loss as provided in the
 78 policy that are applicable to the claim and the resulting

79 benefits of coverage.

80 (7) An assignment agreement may not:

81 (a) Divest the policyholder of his or her obligation under
 82 the policy to comply with all relevant duties after loss.

83 (b) Divest the policyholder of the right to determine the
 84 scope of repairs;

85 (c) Authorize the assignee to perform any services not
 86 specifically approved by the policyholder in a separate contract
 87 defining the scope and estimated cost of such repairs; or

88 (d) Authorize the assignee to receive payment that exceeds
 89 the cost for services and materials as provided under the
 90 policy.

91 (8) A policyholder who assigns the right to receive the
 92 benefit of payment under the policy is not liable to the
 93 assignee for services and materials for which the insurer is
 94 liable and the assignee may not collect or attempt to collect
 95 money from, maintain any action at law against, claim a lien on
 96 real property, or report a policyholder to a credit agency for
 97 payment for which the insurer is liable under the policy.

98 However, nothing in this subsection prohibits the assignee from
 99 collecting or attempting to collect money from, maintaining an
 100 action at law against, claiming a lien on real property for, or
 101 reporting a policyholder to a credit agency for payment of the
 102 amount of the insurance deductible or any amount attributable to
 103 services and materials ordered by the policyholder which are not
 104 covered under the insurance policy. Section 2. Paragraph (i) of

105 subsection (1) of section 626.9541, Florida Statutes, is amended
 106 to read:

107 626.9541 Unfair methods of competition and unfair or
 108 deceptive acts or practices defined.—

109 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
 110 ACTS.—The following are defined as unfair methods of competition
 111 and unfair or deceptive acts or practices:

112 (i) Unfair claim settlement practices.—

113 1. Attempting to settle claims on the basis of an
 114 application, when serving as a binder or intended to become a
 115 part of the policy, or any other material document which was
 116 altered without notice to, or knowledge or consent of, the
 117 insured;

118 2. A material misrepresentation made to an insured or any
 119 other person having an interest in the proceeds payable under
 120 such contract or policy, for the purpose and with the intent of
 121 effecting settlement of such claims, loss, or damage under such
 122 contract or policy on less favorable terms than those provided
 123 in, and contemplated by, such contract or policy; or

124 3. Committing or performing with such frequency as to
 125 indicate a general business practice any of the following:

126 a. Failing to adopt and implement standards for the proper
 127 investigation of claims;

128 b. Misrepresenting pertinent facts or insurance policy
 129 provisions relating to coverages at issue; c. Failing to
 130 acknowledge and act promptly upon communications with respect to

131 claims;

132 d. Denying claims without conducting reasonable

133 investigations based upon available information;

134 e. Failing to affirm or deny full or partial coverage of

135 claims, and, as to partial coverage, the dollar amount or extent

136 of coverage, or failing to provide a written statement that the

137 claim is being investigated, upon the written request of the

138 insured within 20 ~~30~~ days after proof-of-loss statements have

139 been completed;

140 f. Failing to promptly provide a reasonable explanation in

141 writing to the insured of the basis in the insurance policy, in

142 relation to the facts or applicable law, for denial of a claim

143 or for the offer of a compromise settlement;

144 g. Failing to promptly notify the insured of any

145 additional information necessary for the processing of a claim;

146 or

147 h. Failing to clearly explain the nature of the requested

148 information and the reasons why such information is necessary.

149 i. Failing to pay personal injury protection insurance

150 claims within the time periods required by s. 627.736(4)(b). The

151 office may order the insurer to pay restitution to a

152 policyholder, medical provider, or other claimant, including

153 interest at a rate consistent with the amount set forth in s.

154 55.03(1), for the time period within which an insurer fails to

155 pay claims as required by law. Restitution is in addition to

156 anyother penalties allowed by law, including, but not limited

157 to, the suspension of the insurer's certificate of authority.

158 4. Failing to pay undisputed amounts of partial or full
 159 benefits owed under first-party property insurance policies
 160 within 60 ~~90~~ days after an insurer receives notice of a
 161 residential property insurance claim, determines the amounts of
 162 partial or full benefits, and agrees to coverage, unless payment
 163 of the undisputed benefits is prevented by an act of God,
 164 prevented by the impossibility of performance, or due to actions
 165 by the insured or claimant that constitute fraud, lack of
 166 cooperation, or intentional misrepresentation regarding the
 167 claim for which benefits are owed. Section 3. Section
 168 627.70131, Florida Statutes, is amended to read:

169 627.70131 Notice of loss; insurer's duty to acknowledge
 170 communications regarding claims; investigation.—

171 (1) An insurer may require notice of loss to be reported as
 172 soon as practicable, but not less than 72 hours, after the
 173 insured knew or should have known that the loss occurred.

174 (2) (a) Upon an insurer's receiving a communication with
 175 respect to a claim, the insurer shall, within 10 ~~14~~ calendar
 176 days, review and acknowledge receipt of such communication
 177 unless payment is made within that period of time or unless the
 178 failure to acknowledge is caused by factors beyond the control
 179 of the insurer which reasonably prevent such acknowledgment. If
 180 the acknowledgment is not in writing, a notification
 181 indicating acknowledgment shall be made in the insurer's claim
 182 file and dated. A communication made to or by an agent of an

183 insurer with respect to a claim shall constitute communication
 184 to or by the insurer.

185 (b) As used in this subsection, the term "agent" means any
 186 person to whom an insurer has granted authority or
 187 responsibility to receive or make such communications with
 188 respect to claims on behalf of the insurer.

189 (c) This subsection shall not apply to claimants
 190 represented by counsel beyond those communications necessary to
 191 provide forms and instructions.

192 ~~(3)-(2)~~ Such acknowledgment shall be responsive to the
 193 communication. If the communication constitutes a notification
 194 of a claim, unless the acknowledgment reasonably advises the
 195 claimant that the claim appears not to be covered by the
 196 insurer, the acknowledgment shall provide necessary claim forms,
 197 and instructions, including an appropriate telephone number.

198 ~~(4)-(3)~~ Unless otherwise provided by the policy of
 199 insurance or by law, within 7 ~~10~~ working days after an insurer
 200 receives proof of loss statements, the insurer shall begin such
 201 investigation as is reasonably necessary unless the failure to
 202 begin such investigation is caused by factors beyond the control
 203 of the insurer which reasonably prevent the commencement of such
 204 investigation. An insurer may limit the scope of repairs that
 205 may be undertaken without prior approval before the insurer
 206 conducts an onsite inspection, but must allow for
 207 necessary repairs to protect the property from further damage.

208 ~~(5)-(4)~~ For purposes of this section, the term "insurer"

209 means any residential property insurer.

210 (6)~~(5)~~(a) Within 60 ~~90~~ days after an insurer receives
 211 notice of an initial, reopened, or supplemental property
 212 insurance claim from a policyholder, the insurer shall pay or
 213 deny such claim or a portion of the claim unless the failure to
 214 pay is caused by factors beyond the control of the insurer which
 215 reasonably prevent such payment. Any payment of an initial or
 216 supplemental claim or portion of such claim made 60 ~~90~~ days
 217 after the insurer receives notice of the claim, or made more
 218 than 15 days after there are no longer factors beyond the
 219 control of the insurer which reasonably prevented such payment,
 220 whichever is later, bears interest at the rate set forth in s.
 221 55.03. Interest begins to accrue from the date the insurer
 222 receives notice of the claim. The provisions of this subsection
 223 may not be waived, voided, or nullified by the terms of the
 224 insurance policy. If there is a right to prejudgment interest,
 225 the insured shall select whether to receive prejudgment interest
 226 or interest under this subsection. Interest is payable when the
 227 claim or portion of the claim is paid. Failure to comply with
 228 this subsection constitutes a violation of this code. However,
 229 failure to comply with this subsection does not form the sole
 230 basis for a private cause of action.

231 Section 4. Section 627.7142, Florida Statutes, is amended
 232 to read: 627.7142 Homeowner Claims Bill of Rights.—An insurer
 233 issuing a personal lines residential property insurance policy
 234 in this state must provide a Homeowner Claims Bill of Rights to

235 a policyholder within 10 ~~14~~ days after receiving an initial
 236 communication with respect to a claim, unless the claim follows
 237 an event that is the subject of a declaration of a state of
 238 emergency by the Governor. The purpose of the bill of rights is
 239 to summarize, in simple, nontechnical terms, existing Florida
 240 law regarding the rights of a personal lines residential
 241 property insurance policyholder who files a claim of loss. The
 242 Homeowner Claims Bill of Rights is specific to the claims
 243 process and does not represent all of a policyholder's rights
 244 under Florida law regarding the insurance policy. The Homeowner
 245 Claims Bill of Rights does not create a civil cause of action by
 246 any individual policyholder or class of policyholders against an
 247 insurer or insurers. The failure of an insurer to properly
 248 deliver the Homeowner Claims Bill of Rights is subject to
 249 administrative enforcement by the office but is not admissible
 250 as evidence in a civil action against an insurer. The Homeowner
 251 Claims Bill of Rights does not enlarge, modify, or contravene
 252 statutory requirements, including, but not limited to, ss.
 253 626.854, 626.9541 627.4225, 627.70131, 627.7015, and 627.7074,
 254 and does not prohibit an insurer from exercising its right to
 255 repair damaged property in compliance with the terms of an
 256 applicable policy or ss. 627.7011(5)(e) and 627.702(7). The
 257 Homeowner Claims Bill of Rights must state:

258 HOMEOWNER CLAIMS

259 BILL OF RIGHTS

260 This Bill of Rights is specific to the claims process and does

261 not represent all of your rights under Florida law regarding
 262 your policy. There are also exceptions to the stated timelines
 263 when conditions are beyond your insurance company's control.
 264 This document does not create a civil cause of action by an
 265 individual policyholder, or a class of policyholders, against an
 266 insurer or insurers and does not prohibit an insurer from
 267 exercising its right to repair damaged property in compliance
 268 with the terms of an applicable policy.

269 YOU HAVE THE RIGHT TO:

- 270 1. Receive from your insurance company an acknowledgment
 271 of your reported claim within 10 ~~14~~ days after the time you
 272 communicated the claim.
- 273 2. Upon written request, receive from your insurance
 274 company within 20 ~~30~~ days after you have submitted a
 275 complete proof-of-loss statement to your insurance company,
 276 confirmation that your claim is covered in full, partially
 277 covered, or denied, or receive a written statement that
 278 your claim is being investigated.
- 279 3. Within 60 ~~90~~ days, subject to any dual interest noted
 280 in the policy, receive full settlement payment for
 281 your claim or payment of the undisputed portion of
 282 your claim, or your insurance company's denial of your
 283 claim. 4. Free mediation of your disputed claim by the
 284 Florida Department of Financial Services, Division of
 285 Consumer Services, under most circumstances and subject to
 286 certain restrictions.

287 5. Neutral evaluation of your disputed claim, if your
 288 claim is for damage caused by a sinkhole and is covered by
 289 your policy.

290 6. Contact the Florida Department of Financial Services,
 291 Division of Consumer Services' toll-free helpline for
 292 assistance with any insurance claim or questions pertaining
 293 to the handling of your claim. You can reach the Helpline
 294 by phone at...(toll-free phone number)..., or you can seek
 295 assistance online at the Florida Department of Financial
 296 Services, Division of Consumer Services' website
 297 at...(website address)....

298 YOU ARE ADVISED TO:

299 1. Contact your insurance company before entering into any
 300 contract for repairs to confirm any managed repair policy
 301 provisions or optional preferred vendors.

302 2. Carefully read any agreement that assigns the benefit
 303 of payment or other rights under your policy to a third
 304 party. You retain the obligation to comply with all duties
 305 under your insurance policy related to the loss.

306 3. ~~2.~~ Make and document emergency repairs that are
 307 necessary to prevent further damage. Keep the damaged
 308 property, if feasible, keep all receipts, and take
 309 photographs of damage before and after any repairs.

310 4. ~~3.~~ Carefully read any contract that requires you to pay
 311 out-of-pocket expenses or a fee that is based on a
 312 percentage of the insurance proceeds that you will receive

313 | for repairing or replacing your property.

314 | 5. ~~4.~~ Confirm that the contractor you choose is licensed
315 | to do business in Florida. You can verify a contractor's
316 | license and check to see if there are any complaints
317 | against him or her by calling the Florida Department of
318 | Business and Professional Regulation. You should also ask
319 | the contractor for references from previous work.

320 | 6. ~~5.~~ Require all contractors to provide proof of
321 | insurance before beginning repairs.

322 | 7. ~~6.~~ Take precautions if the damage requires you to leave
323 | your home, including securing your property and turning off
324 | your gas, water, and electricity, and contacting your
325 | insurance company and provide a phone number where you can
326 | be reached.

327 | Section 5. This act shall take effect July 1, 2016.